

John M. Killion

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<p>1 formulary.</p> <p>2 Q. And having determined that they were</p> <p>3 functionally equivalent, did they make a</p> <p>4 formulary decision based upon the economics of</p> <p>5 the administration of the drugs?</p> <p>6 A. Yes. That went into the decision.</p> <p>7 Q. To your knowledge is Blue Cross/Blue</p> <p>8 Shield of Massachusetts receiving any rebates on</p> <p>9 Gonal F or any other physician-administered</p> <p>10 drug?</p> <p>11 A. Not to my knowledge.</p> <p>12 Q. I started asking you before we switched</p> <p>13 topics what your litigation experience was, so</p> <p>14 let's get back to that. When have you been</p> <p>15 deposed previously?</p> <p>16 A. I was deposed when I was at Harvard</p> <p>17 Pilgrim on two occasions.</p> <p>18 Q. What was the nature of those</p> <p>19 depositions? What was the nature of the issue,</p> <p>20 the litigation that you were deposed concerning?</p> <p>21 A. We had developed a relationship, a</p> <p>22 contract relationship, with a pharmacy for</p>	<p>1 trying to contact their primary care physician</p> <p>2 relative to OB services, was unable to contact</p> <p>3 their primary care physician. We outreachted to</p> <p>4 the physician to contact the member. The</p> <p>5 physician apparently did not contact the member.</p> <p>6 The member had a bad experience and sued the</p> <p>7 physician.</p> <p>8 Q. When you began in Blue Cross/Blue</p> <p>9 Shield of Massachusetts in 1985, did the company</p> <p>10 have in place a staff model at that time?</p> <p>11 A. I don't recall.</p> <p>12 (Discussion off the record.)</p> <p>13 BY MR. HAAS:</p> <p>14 Q. Getting back to what has been marked as</p> <p>15 Deposition Exhibit Killion 002, did you have any</p> <p>16 conversations or communications with any</p> <p>17 associations other than -- concerning the</p> <p>18 specialty pharmacy issue other than that that is</p> <p>19 reflected in this, the minutes of this meeting?</p> <p>20 A. Other associations other than MASCO?</p> <p>21 Q. Yes.</p> <p>22 A. No.</p>
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<p>1 fertility medications. After I left Tufts, Blue</p> <p>2 Cross/Blue Shield terminated that relationship.</p> <p>3 The provider's assertion was that the agreement</p> <p>4 couldn't be terminated; it went into perpetuity.</p> <p>5 MR. SULLIVAN: Excuse me. You said in</p> <p>6 your answer "Blue Cross/Blue Shield." Did you</p> <p>7 mean to say Tufts?</p> <p>8 THE WITNESS: Tufts. I apologize.</p> <p>9 BY MR. HAAS:</p> <p>10 Q. Were those two depositions in</p> <p>11 connection with the same matter?</p> <p>12 A. Yes.</p> <p>13 Q. Have you been deposed in any other</p> <p>14 action?</p> <p>15 A. No.</p> <p>16 Q. Have you otherwise had any</p> <p>17 participation or involvement in any other</p> <p>18 litigation?</p> <p>19 A. There was one incident at Tufts Health</p> <p>20 Plan.</p> <p>21 Q. What was that incident?</p> <p>22 A. It was in regards to a member who was</p>	<p>1 Q. Did you have subsequent communications</p> <p>2 with MASCO concerning this issue?</p> <p>3 A. I was involved in more than one</p> <p>4 communication with MASCO. I'm not clear of the</p> <p>5 dates, so whether or not there were meetings</p> <p>6 prior to this meeting or after this meeting, I</p> <p>7 would need to see copies of minutes.</p> <p>8 Q. But it is your recollection there were</p> <p>9 other specialty committee meetings with MASCO</p> <p>10 that involved the question of whether to</p> <p>11 implement a specialty pharmacy model for the</p> <p>12 supply of oncology drugs?</p> <p>13 A. There were -- yes. There were other</p> <p>14 meetings with -- let me clarify that. Yes. There</p> <p>15 were other meetings with MASCO to discuss our</p> <p>16 specialty pharmacy program in general and any</p> <p>17 concerns or issues that MASCO wanted to raise in</p> <p>18 regards to the delivery of oncology medications.</p> <p>19 Q. Were there any individuals on the</p> <p>20 specialty pharmacy committee that was</p> <p>21 specifically looking at the issue of whether to</p> <p>22 implement a specialty pharmacy model for oncology</p>

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1    drugs?		1    Q. Yes.	
2    A. We made the decision not to implement		2    A. We didn't contemplate doing that. We	
3 at that point in time and to further evaluate		3 contemplation looking at a change in reimbursement	
4 when we rolled out the specific therapeutic		4 methodology to our oncologists but not	
5 classes that I previously discussed.		5 implementing a specialty pharmacy program at that	
6    Q. Okay. Now you said the decision was		6 point in time.	
7 not to implement the model with respect to		7    Q. All right. I understand that Blue	
8 oncology drugs at that time. Why was that?		8 Cross/Blue Shield of Massachusetts engaged in an	
9    A. Part of it was because we were looking		9 analysis of whether to move from AWP or fee	
10 at CMS and the reimbursement methodology,		10 schedule based methodology to ASP. I understand	
11 understanding that at that point it wasn't		11 that.	
12 industry standard. We were concerned, continue		12    A. And that is Mike Mulrey's analysis that	
13 to be concerned, in regards to being overcharged		13 I refer to.	
14 for oncology medications but wanted to make sure		14    Q. Aside from that, with respect to the	
15 we roll out a program that benefits our members		15 question of whether or not Blue Cross/Blue Shield	
16 and also addresses concerns that the oncologists		16 of Massachusetts contemplated implementing a	
17 have raised in a thoughtful manner.		17 specialty pharmacy model for the supply and	
18    Q. Okay. Who was involved in that		18 administration of oncology drugs, question number	
19 analysis specifically dealing with oncology		19 one, did Blue Cross/Blue Shield of Massachusetts	
20 drugs?		20 contemplate implementing a specialty pharmacy	
21    A. Mike Mulrey was.		21 model for oncology drugs?	
22    Q. Anyone else?		22    A. We deferred a decision to implement	
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1    A. Not that I'm aware of.		1 until we had more time to evaluate CMS	
2    Q. Yesterday Mr. Mulrey testified the only		2 methodology.	
3 involvement he had was implementing your		3    Q. Okay. CMS doesn't have a specialty	
4 strategy. Is that incorrect testimony?		4 pharmacy reimbursement model, does it?	
5    A. Mike Mulrey had done an analysis		5    A. CMS has a reimbursement model. When	
6 looking at the impact of moving to AWP minus 15.		6 you -- when you mean specialty pharmacy, do they	
7    Q. Right. But right now I'm talking about		7 use a specialty pharmacy vendor to --	
8 whether the -- whether Blue Cross/Blue Shield of		8    Q. Right.	
9 Massachusetts --		9    A. Not that I'm aware of. I believe it is	
10    MR. HAAS: Withdraw that question.		10 something that CMS is looking at.	
11    Q. The issue we're addressing, talking		11    Q. My immediate question, though, is what	
12 about now is Blue Cross/Blue Shield's decision to		12 Blue Cross/Blue Shield considered in 2004. Did	
13 defer implementing the specialty pharmacy model		13 Blue Cross/Blue Shield of Massachusetts give any	
14 for oncology drugs.		14 consideration, do any analysis of whether to	
15    A. Um-hmm.		15 implement a specialty pharmacy model with respect	
16    Q. So the question, number one, is what		16 to oncology drugs at that time?	
17 involvement, if any, did Mike Mulrey have in that		17    A. No. We decided to defer.	
18 decision-making process?		18    Q. Did you decide to defer the analysis or	
19    A. When you say implementing oncology for		19 the decision?	
20 specialty pharmacy, do you mean utilizing a		20    A. The decision as to when we would	
21 specialty pharmacy vendor for the oncology		21 implement the program.	
22 program?		22    Q. Okay. So let me move back to my	

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1    question. My question is did you analyze it or 2    consider it or do any work on that particular 3    issue in 2004.		1    Q. What is your understanding of the terms 2    of this AWP litigation?	
4       A. No, we did not, other than the analysis 5    that you're aware of that Mike Mulrey did, which 6    is what I had referred to previously.		3       MR. HAAS: Withdraw that question.	
7       Q. That analysis is still the move from 8    AWP or fee schedule to ASP and not with respect 9    to whether to implement a specialty pharmacy?		4       Q. What is your understanding of 5    plaintiffs' allegations in the AWP litigation?	
10      A. That is correct.		6       A. That there was -- that AWP was an 7    artificially-established methodology in the 8    reimbursement of drugs and that that price was 9    overinflated, overcharged.	
11      Q. To be clear then, did, in your 12 knowledge, Mr. Mulrey do any analysis or study or 13 evaluation of whether to implement a specialty 14 pharmacy model?		10      Q. Prior to 2003 or 2004, did you have any 11 independent knowledge of that issue?	
15      A. No. Not a specialty pharmacy model. 16 No.		12      A. Prior to 2004-2003? Is that what you 13 said?	
17      Q. All right. You said you didn't read 18 the Complaint in this matter?		14      Q. Yes.	
19      A. No.		15      A. In 2004 when I saw The Wall Street 16 Journal article it referenced oncologists 17 purchasing oncology medications at much deeper 18 discounts than we reimburse for.	
20      Q. Have you had any involvement in the in 21 re: Managed Care Litigation or the Thomas 22 litigation?		19      Q. Prior to 2003 and 2004, did you have 20 any understanding as to the term "AWP"?	
	115	21      A. Yes.	
1    A. Minimal involvement, yes.		22      Q. Okay. When did you first gain an	
2    Q. What is your involvement?			
3    A. Producing any documents associated with 4    that.			
5    Q. When did you produce documents 6    associated with that case?		1    understanding of the term "AWP"?	
7    A. I don't know the time frame. I think 8    it was over a year ago now.		2    A. When I was working in retail pharmacy 3    at Tufts Health Plan.	
9    Q. Do you have an understanding of the 10 allegations in that case?		4    Q. What was your understanding of the term 5    "AWP" at that time?	
11   A. Not completely.		6    A. That that was an industry standard that 7    insurers used to reimburse for drugs in 8    physicians' offices as well as through our PBM.	
12   Q. Do you have an understanding of any of 13 the allegations in that case?		9    Q. Was it your understanding that AWP was 10 generally set for brand name drugs at a 20 to 25 11 markup over the WAC, or wholesale acquisition 12 cost?	
14   A. Not fully. No.		13   A. No. Not specifically.	
15   Q. Do you have an understanding that 16 physicians are alleging that the defendants, 17 including Blue Cross/Blue Shield of 18 Massachusetts, failed to properly reimburse them 19 for drugs?		14   Q. Do you have a general understanding of 15 it?	
20   MR. SULLIVAN: Objection. Beyond the 21 scope.		16   A. General, yes.	
22   A. No. Not specifically.		17   Q. Do you have a general understanding 18 that AWP was set at some percentage over WAC or 19 markup over WAC?	
	117	20   A. I wasn't that familiar with WAC at the 21 time. No.	
		22   Q. What was your understanding as to how	

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1 AWP was set, if you had any understanding?		1 Q. Excuse me. You had discussions with	
2 A. That the manufacturers had a lot of		2 other individuals at Tufts Health Plan at that	
3 involvement in regards to AWP.		3 time regarding the fact that AWP was an	
4 Q. My question is what was your		4 artificial price; correct?	
5 understanding as to how -- I understand your		5 MR. SULLIVAN: Objection. Beyond the	
6 position in this litigation, but my specific		6 scope.	
7 question was what was your understanding as to		7 Q. You can answer.	
8 how AWP was calculated.		8 A. We had concerns at Tufts Health Plan in	
9 MR. SULLIVAN: That is a different		9 regards to AWP, although we used AWP as the price	
10 question.		10 in which we reimbursed for drugs at the retail	
11 MR. HAAS: Well, it is not. What I said		11 pharmacy and encouraged our physicians to utilize	
12 was "set."		12 generics.	
13 BY MR. HAAS:		13 Q. And what were your concerns with the	
14 Q. But go ahead.		14 use of AWP at that time given that you knew that	
15 A. That it -- again that it was -- it was		15 it was an artificial price?	
16 a fee that was established for the price of drugs		16 A. Well, one of our major initiatives was	
17 and that manufacturers had a large role in		17 to move physicians to generic medications,	
18 dictating what that fee was.		18 knowing that they were much more cost effective	
19 Q. How did you determine that		19 than the price that was set for brand	
20 manufacturers had a large role in determining		20 medications.	
21 what that fee was?		21 Q. So what did your knowledge that AWP was	
22 A. That was my understanding.		22 an artificial price have to do with that	
	119		121
1 Q. How did you get that understanding?		1 initiative?	
2 A. In -- in working in retail pharmacy at		2 A. Moving physicians to generic	
3 that time.		3 medications produced the result of providing a	
4 Q. What communication did you have that		4 more cost effective retail pharmacy program.	
5 reinforced or established that understanding at		5 Q. That is because you understood at the	
6 that time?		6 time that generic drugs were discounted much more	
7 A. I think there were discussions		7 heavily than brand name drugs; right?	
8 internally within the company in regards to AWP		8 A. That's right.	
9 and people referring to AWP as a -- as an		9 Q. That is common knowledge in the	
10 artificial price but a price that the industry		10 industry; right?	
11 used in regards to establishing reimbursement off		11 A. Maximum allowable cost.	
12 of.		12 Q. Well, my question is isn't it common	
13 Q. So when you were working in retail		13 knowledge or wasn't it common knowledge --	
14 pharmacy, you understood that AWP was an		14 A. Yes, it was.	
15 artificial term, an artificial price?		15 Q. -- at the time frame in 1998 when you	
16 A. Yes. That it was a -- correct.		16 were in the retail pharmacy department of Tufts	
17 Q. Okay. And you had discussions with		17 that generic drugs were discounted heavily as	
18 other members of Blue Cross/Blue Shield at that		18 compared to brand name drugs?	
19 time?		19 A. Yes.	
20 MR. SKWARA: Objection.		20 MR. SULLIVAN: Objection. Beyond the	
21 Q. Right?		21 scope.	
22 A. That was Tufts Health Plan.		22 A. Yes. That was my knowledge.	

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1        Q. Was it also your understanding at the 2 time that when competition came into the market 3 for brand name drugs, i.e., multisource 4 competition, there were also discounts and 5 rebates that were provided on those drugs?  6        MR. SULLIVAN: Objection. Beyond the 7 scope.  8        A. That's correct.  9        Q. So typically -- so it was your 10 understanding then in the 1998 time frame that 11 when a brand name drug first came to market there 12 typically were no incentives associated with the 13 drug, but then as competition entered the market, 14 first multisource, and then with generics, more 15 incentives were provided for the drug; correct?  16        MR. SULLIVAN: Objection.  17        A. Correct.  18        Q. And that is what led to your 19 understanding that AWP was an artificial price 20 because it didn't bear a relationship to the 21 acquisition cost; correct?  22        A. Correct.	122	1        A. That's correct. 2        Q. My question simply is what was that 3 program. 4        A. As I stated before, Tufts had a budget 5 per IPA, PHO, in regards to pharmacy expense, 6 provided reports to physicians in regards to 7 generic brand name utilization and encouraged the 8 use of generic utilization in our network along 9 with formulary utilization and other preferred 10 plans that we put in place where there was prior 11 authorization for high-cost brand name drugs.  12        Q. Now we were discussing your knowledge 13 while at Tufts in 1998 that acquisition costs 14 varied based upon the competition for the drugs 15 in the marketplace. When did you first obtain 16 that understanding?  17        MR. SULLIVAN: Objection. I think that 18 mischaracterizes what the witness' testimony was.  19        MR. HAAS: I disagree. 20 BY MR. HAAS:  21        Q. But you can clarify. 22        MR. SULLIVAN: Do you understand the	124
1        Q. Now in 1998 when you had this 2 understanding, how did that impact the 3 reimbursement policies of Tufts at this time?  4        MR. SULLIVAN: Objection. Beyond the 5 scope.  6        A. Tufts put in place a pharmacy risk 7 program to encourage the utilization of generic 8 medications and formulary medications at this 9 point in time.  10        Q. And what was the reimbursement 11 methodologies that Tufts put in place in order to 12 address its understanding that generic drugs were 13 cheaper?  14        A. Can you repeat that question?  15        Q. I am just trying to close a loop. What 16 was the particular pharmacy risk program that 17 Tufts put into place?  18        A. I am sorry. Your question was what was 19 the particular pharmacy risk program that Tufts 20 put into place?  21        Q. Yes. You had testified that Tufts put 22 into place a pharmacy risk program.	123	1        question? 2        THE WITNESS: No. 3        Q. My question is when did you first 4 obtain the understanding that you have testified 5 to that in 1998 you understood that the 6 acquisition cost of drugs varied depending upon 7 whether it was branded, multisource or generic, 8 and the level of competition in the marketplace?  9        A. Through our PBM and the discounts that 10 we were able to achieve through multisource drugs 11 versus brand name drugs --  12        Q. All right. 13        A. -- and the competition in the 14 marketplace. 15        Q. All right. Did you have that 16 understanding before coming to Tufts or while 17 working at Tufts?  18        A. While working in Tufts. 19        Q. So you obtained that understanding in 20 the 1998 time frame?  21        A. Correct. 22        Q. Was it your understanding that that was	125

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<p>1 basically common knowledge at this point in time?</p> <p>2 MR. SULLIVAN: Objection; beyond the</p> <p>3 scope. Objection; form.</p> <p>4 A. Common knowledge that generics were</p> <p>5 less expensive?</p> <p>6 Q. No. Just that brand name drugs --</p> <p>7 excuse me -- common knowledge --</p> <p>8 MR. HAAS: Withdraw the question.</p> <p>9 Q. Was it your understanding at the time</p> <p>10 that it was basically common knowledge that</p> <p>11 acquisition costs varied depending upon whether a</p> <p>12 drug was brand or multisource or generic given</p> <p>13 the level of competition in the marketplace for</p> <p>14 the drugs?</p> <p>15 A. Yes.</p> <p>16 MR. SULLIVAN: Objection to form.</p> <p>17 A. Yes.</p> <p>18 MR. NOTARGIACOMO: Let me clarify</p> <p>19 "acquisition cost."</p> <p>20 MR. HAAS: You can object. He said yes.</p> <p>21 MR. SULLIVAN: I objected to the form</p> <p>22 of the question. I think it is unclear.</p>	<p>126</p> <p>1 understanding that the acquisition cost by</p> <p>2 hospitals, by pharmacies, by doctors changed</p> <p>3 depending upon whether a drug was brand name,</p> <p>4 multisource or retail, generic, depending upon</p> <p>5 the level of competition in the marketplace for</p> <p>6 the drugs?</p> <p>7 MR. SULLIVAN: Objection. Form;</p> <p>8 compound; complex.</p> <p>9 A. When you are referring to acquisition</p> <p>10 cost, I am referring specifically to the price</p> <p>11 that Tufts Health Plan paid for the drugs, and we</p> <p>12 knew that it was more cost effective for</p> <p>13 multisource generic drugs than it was for our</p> <p>14 physicians to be prescribing brand name drugs.</p> <p>15 Q. And it was your understanding the</p> <p>16 reason for that was because manufacturers</p> <p>17 provided different discounts and incentives and</p> <p>18 depending upon the level of competition for the</p> <p>19 drugs; correct?</p> <p>20 MR. SULLIVAN: Objection. Beyond the</p> <p>21 scope.</p> <p>22 A. That wasn't my understanding specific</p>
<p>1 BY MR. HAAS:</p> <p>2 Q. Your answer was yes?</p> <p>3 A. Can you clarify "acquisition cost"?</p> <p>4 Q. Price paid for the drugs.</p> <p>5 MR. SULLIVAN: By whom?</p> <p>6 MR. HASS: You have to give me a</p> <p>7 chance.</p> <p>8 MR. SULLIVAN: Sorry.</p> <p>9 MR. HAAS: Just object.</p> <p>10 MR. SULLIVAN: I did object, and you</p> <p>11 didn't change the form.</p> <p>12 MR. HAAS: You object. That is your</p> <p>13 job. You object.</p> <p>14 MR. SULLIVAN: I know my job.</p> <p>15 MR. HAAS: If I want to clarify, I can.</p> <p>16 If I don't, I don't.</p> <p>17 MR. SULLIVAN: I understand.</p> <p>18 MR. HAAS: So I will reask the</p> <p>19 question, and I am trying to address your</p> <p>20 concerns.</p> <p>21 BY MR. HAAS:</p> <p>22 Q. The question is: Did you have an</p>	<p>127</p> <p>129</p> <p>1 to, as you said, as you restated it, physicians,</p> <p>2 hospitals and others, but specific to the price</p> <p>3 that we paid as a health plan through the retail</p> <p>4 pharmacy program.</p> <p>5 Q. Right. But the price that you paid as</p> <p>6 the ultimate payer was dependent -- turned in</p> <p>7 part upon the price that the drugs could be</p> <p>8 acquired, but turned upon the competition in the</p> <p>9 marketplace for the particular drugs; right?</p> <p>10 MR. SULLIVAN: Objection to form,</p> <p>11 "ultimate payer." Vague.</p> <p>12 A. It was clear to us that yes, yes,</p> <p>13 generics were more cost effective than brand name</p> <p>14 drugs.</p> <p>15 Q. And just to be clear, you understood</p> <p>16 that multisource were more cost effective than</p> <p>17 brand name drugs because there was more</p> <p>18 competition for multisource than brand name</p> <p>19 drugs; right?</p> <p>20 A. Correct.</p> <p>21 MR. SULLIVAN: Can we have an off-the-</p> <p>22 record discussion here?</p>

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1	MR. HAAS: Yes. Just one second.	1	Q. Did you discuss the subject matter of
2	(Discussion off the record,	2	your testimony with your counsel during the
3	followed by a luncheon recess	3	break?
4	taken at 12:31 p.m.)	4	MR. SULLIVAN: Objection. What do you
5	---	5	mean? I think that is a misleading question.
6		6	What do you mean by "testimony"?
7		7	MR. HAAS: It is -- okay. I am going
8	AFTERNOON SESSION	8	to stand on that question. If you want to object
9	1:05 P.M.	9	to the question or you want to instruct him not
10	MR. HAAS: Back on the record.	10	to answer that, I think it is a very clear
11		11	question under the law. It is a proper inquiry
12	CONTINUED DIRECT EXAMINATION OF MR. KILLION	12	and exactly the type of question that courts will
13	BY MR. HAAS:	13	allow.
14	Q. Mr. Killion, did you have the	14	BY MR. HAAS:
15	opportunity to discuss the subject matter of your	15	Q. My question is: Did you talk about the
16	testimony with your counsel during the half-hour	16	subject matter of your testimony with your
17	break?	17	counsel during the break?
18	A. Briefly, yes.	18	A. Specific to "subject matter"?
19	Q. What did you discuss?	19	Q. You don't understand what I mean when I
20	A. My understanding of --	20	say "subject matter"?
21	MR. NOTARGIACOMO: Objection.	21	A. If you could be more clear, that would
22	MR. SULLIVAN: Objection.	22	be helpful.
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1	MR. HAAS: On what grounds? You	1	Q. Did you discuss with your counsel what
2	discussed with him the subject matter of his	2	it is you testified to during -- on your --
3	cross examination, and you are instructing him	3	MR. HAAS: I withdraw the question.
4	not to answer?	4	Q. During the half-hour break, did you
5	MR. SULLIVAN: That is not the record.	5	talk with counsel about what you testified to
6	You asked the witness if he had a discussion	6	before the break?
7	concerning his testimony.	7	A. I talked to -- to the responses to
8	MR. HAAS: Right.	8	questions that were asked.
9	MR. SULLIVAN: The answer to that was	9	Q. All right. What did you talk -- what
10	yes.	10	did you discuss with your counsel about the
11	MR. HAAS: Right.	11	answers that you gave prior to the break?
12	MR. SULLIVAN: And the subject matter	12	A. Prior to the break?
13	of that was his redirect examination, not the	13	Q. No. During the break, what did you
14	cross examination.	14	discuss with your counsel about what you
15	MR. HAAS: That is not what he	15	testified to prior to the break?
16	testified.	16	A. My understanding of AWP relating to
17	MR. SULLIVAN: Wait a minute.	17	acquisition cost.
18	MR. HAAS: Let me go back and	18	Q. And did you discuss with counsel how to
19	establish. I will do it clean so we have no	19	change or modify or amend your testimony?
20	question, and if you want to instruct him, go	20	A. No.
21	ahead.	21	Q. What did you tell counsel concerning
22	BY MR. HAAS:	22	the subject matter of your testimony?

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<p>1        A. My understanding of, again, of AWP as 2 it relates to acquisition cost.</p> <p>3        Q. As you testified in the record prior to 4 the break?</p> <p>5        A. That's correct.</p> <p>6        MR. HAAS: I have no further questions 7 at this time.</p> <p>8        MR. NOTARGIACOMO: In general or about 9 that subject? Your examination is concluded?</p> <p>10      MR. HAAS: It is concluded at this 11 time.</p> <p>12      MR. NOTARGIACOMO: I just have a few, a 13 very few questions in --</p> <p>14      MR. HAAS: You are providing the cross 15 on behalf of plaintiffs?</p> <p>16      MR. SULLIVAN: Yes.</p> <p>17      MR. NOTARGIACOMO: Yes.</p> <p>18      MR. HAAS: Okay.</p> <p>19      CROSS EXAMINATION</p> <p>20 BY MR. NOTARGIACOMO:</p> <p>21      Q. When you -- do you remember when you 22 were discussing with Attorney Haas your</p>	<p>134</p> <p>1        your understanding that AWP was an artificial 2 price because it did not bear a relationship to 3 actual prices. Do you remember agreeing to that 4 statement?</p> <p>5        MR. HAAS: Objection to form.</p> <p>6        A. I do.</p> <p>7        Q. Do you have an understanding -- well, 8 actually in 1998 when you were employed at Tufts, 9 do you have an understanding of how AWP was 10 calculated?</p> <p>11      MR. HAAS: Objection to form.</p> <p>12      A. No. Not how it was calculated.</p> <p>13      Q. Do you have -- did you have an 14 understanding as to the relationship between AWP 15 and the actual prices that were paid by 16 physicians for physician-administered drugs?</p> <p>17      A. No.</p> <p>18      MR. HAAS: Objection to form. The 19 record speaks for itself.</p> <p>20      Q. When you said and used the term 21 "artificial price" in that answer, what did you 22 mean by the term "artificial price"?</p>
<p>1        employment at Tufts Healthcare prior to the 2 break?</p> <p>3        A. Yes.</p> <p>4        Q. And there was a discussion about 5 average wholesale price and its relationship to 6 the actual acquisition prices; do you recall 7 that?</p> <p>8        MR. HAAS: Objection --</p> <p>9        A. Yes.</p> <p>10      MR. HAAS: -- to form.</p> <p>11      Q. And Mr. Haas asked you about your use 12 or -- he asked you about your understanding about 13 what AWP was?</p> <p>14      MR. HAAS: Objection to form.</p> <p>15      Q. Do you recall that?</p> <p>16      A. I do.</p> <p>17      Q. And do you recall saying that AWP was 18 an artificial price?</p> <p>19      MR. HAAS: Objection to form.</p> <p>20      A. I do.</p> <p>21      Q. And prior to the break, Mr. Haas asked 22 you -- Attorney Haas asked you whether it was</p>	<p>135</p> <p>1        MR. HAAS: Objection to form.</p> <p>2        A. Artificial price meaning a -- a price 3 that -- that was referred to as it ain't what you 4 pay, or the acronym AWP, ain't what you pay, used 5 commonly at Tufts Health Plan.</p> <p>6        Q. Did you have an understanding -- are 7 you using that term, "it ain't what it pays," is 8 it your understanding that AWP was not the 9 arithmetic actual average of wholesale prices?</p> <p>10      A. That --</p> <p>11      MR. HAAS: Objection to form. Leading 12 question.</p> <p>13      A. That's correct.</p> <p>14      Q. Did you understand what the 15 relationship was between average wholesale price 16 and as published or as --</p> <p>17      MR. NOTARGIACOMO: Strike that.</p> <p>18      Q. Did you have an understanding about 19 what average wholesale price was in relationship 20 to the prices that physicians were paying for 21 those drugs?</p> <p>22      A. No, I did not.</p>

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<p style="text-align: right;">138</p> <p>1       MR. HAAS: Objection to form. The 2 record speaks for itself.</p> <p>3       MR. NOTARGIACOMO: I have no further 4 questions.</p> <p>5       REDIRECT EXAMINATION</p> <p>6   BY MR. HAAS:</p> <p>7       Q. Just to clarify, you testified after 8 the break following your conversations with 9 counsel that it was commonly discussed at Tufts 10 Plan in the 1998 time frame that AWP properly 11 stood for "ain't what's paid"; is that correct?</p> <p>12      MR. SULLIVAN: Objection. Form.</p> <p>13       A. That term had been used. Correct.</p> <p>14       Q. And I believe you just testified that 15 you had --</p> <p>16       MR. HAAS: I withdraw that question.</p> <p>17       Q. So you understood that by that phrase, 18 "ain't what's paid," that AWP was not in fact the 19 actual average of wholesale prices; correct?</p> <p>20       A. That's correct.</p> <p>21       Q. And you understood at this time and it 22 was discussed at Tufts that AWP bore no</p>	<p style="text-align: right;">140</p> <p>1           CERTIFICATE</p> <p>2   Commonwealth of Massachusetts</p> <p>3   Plymouth, ss.</p> <p>4       I, Judith McGovern Williams, a Registered 5 Professional Reporter and Notary Public in and for the 6 Commonwealth of Massachusetts, do hereby certify:</p> <p>7       That JOHN M. KILLION, the witness whose 8 deposition is hereinbefore set forth, was duly sworn 9 by me and that such deposition is a true record of the 10 testimony given by the said witness.</p> <p>11       IN WITNESS WHEREOF, I have hereunto set my 12 hand this _____ day of _____, 2006.</p> <p>13</p> <p>14</p> <p>15       Judith McGovern Williams</p> <p>16       Registered Professional Reporter</p> <p>17       Certified Realtime Reporter</p> <p>18       Certified LiveNote Reporter</p> <p>19       Certified Shorthand Reporter No. 130993</p> <p>20</p> <p>21       My Commission expires: 22 April 2, 2010</p>
<p style="text-align: right;">139</p> <p>1 predictable relationship to the actual cost as 2 paid; right?</p> <p>3       MR. SULLIVAN: Objection to form; 4 compound.</p> <p>5       A. Correct.</p> <p>6       Q. Okay.</p> <p>7       MR. HAAS: I have no further questions.</p> <p>8       MR. NOTARGIACOMO: I think we are done.</p> <p>9       MR. SULLIVAN: Okay. Thank you. 10       (Whereupon, at 1:13 p.m., the 11 deposition was adjourned.)</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16                   JOHN M. KILLION</p> <p>17 Subscribed and sworn to and before me 18 this _____ day of _____, 20 _____. 19</p> <p>20</p> <p>21 _____ 22 Notary Public</p>	



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